

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re: Pacific Pawnbrokers, Inc.

Case No. 09-53610CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)

SUMMARY OF FINANCIAL STATUS

AMENDED

MONTH ENDED: Feb-10PETITION DATE: 10/14/09

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

2. Asset and Liability Structure

a. Current Assets
b. Total Assets
c. Current Liabilities
d. Total Liabilities

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
a. Current Assets	\$182,541	\$205,439	
b. Total Assets	\$1,132,096	\$1,154,994	
c. Current Liabilities	\$280,416	\$280,816	
d. Total Liabilities	\$3,046,264	\$3,046,664	

3. Statement of Cash Receipts & Disbursements for Month

a. Total Receipts
b. Total Disbursements
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)
d. Cash Balance Beginning of Month
e. Cash Balance End of Month (c + d)

	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a. Total Receipts	\$47,526	\$43,180	\$221,311
b. Total Disbursements	\$60,038	\$33,897	\$219,410
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	(\$12,512)	\$9,283	\$1,901
d. Cash Balance Beginning of Month	\$45,589	\$36,306	\$31,176
e. Cash Balance End of Month (c + d)	\$33,077	\$45,589	\$33,077

4. Profit/(Loss) from the Statement of Operations

5. Account Receivables (Pre and Post Petition)

6. Post-Petition Liabilities

7. Past Due Post-Petition Account Payables (over 30 days)

	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
4. Profit/(Loss) from the Statement of Operations	(\$12,045)	\$11,674	\$3,736
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$280,416	\$280,816	
7. Past Due Post-Petition Account Payables (over 30 days)	\$280,416	\$280,474	

At the end of this reporting month:

8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) Yes No
x

9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) Yes No
x

10. If the answer is yes to 8 or 9, were all such payments approved by the court? Yes No

11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) Yes No

12. Is the estate insured for replacement cost of assets and for general liability? Yes No
x

13. Are a plan and disclosure statement on file? Yes No

14. Was there any post-petition borrowing during this reporting period? Yes No
x

15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees ; Check if filing is current for: Post-petition tax reporting and tax returns: .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 9/21/10


Responsible Individual

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 02/28/10

Current Month			Cumulative (Case to Date)	Next Month Forecast
<u>Actual</u>	<u>Forecast</u>	<u>Variance</u>		
\$47,525		\$47,525		
		\$0		
\$47,525	\$0	\$47,525		
\$10,387		(\$10,387)		
\$37,138	\$0	\$37,138		
\$1		\$1		
		\$0		
		\$0		
		\$0		
\$37,139	\$0	\$37,139		
			10 Total Revenues	\$168,427
				\$0
			Expenses:	
			11 Compensation to Owner(s)/Officer(s)	\$0
\$5,835		(\$5,835)		
		\$0		
\$3,460		(\$3,460)		
			12 Salaries	\$36,731
			13 Commissions	\$0
			14 Contract Labor	\$18,310
			Rent/Lease:	
			15 Personal Property	
\$4,838		(\$4,838)		
\$0		\$0		
		\$0		
		\$0		
			16 Real Property	\$19,352
			17 Insurance	\$2,060
			18 Management Fees	\$100
			19 Depreciation	
			Taxes:	
\$3,724		(\$3,724)		
		\$0		
\$2,734		(\$2,734)		
		\$0		
\$1,059		(\$1,059)		
		\$0		
\$460		(\$460)		
		\$0		
\$152		(\$152)		
\$28		(\$28)		
\$19,260		(\$19,260)		
\$494		(\$494)		
\$1,648		(\$1,648)		
\$0		\$0		
\$4,342		(\$4,342)		
			20 Employer Payroll Taxes	\$18,894
			21 Real Property Taxes	\$2,601
			22 Other Taxes	\$4,257
			23 Other Selling	\$0
			24 Other Administrative	\$4,838
			25 Interest	\$0
			26 Other Expenses: Postage and delivery	\$548
			27 Building Repairs	\$1,039
			28 Computer repairs	\$221
			29 Bank Service Charges	\$546
			30 E-Bay Fees	\$20,582
			31 Payroll Processing	\$1,052
			32 Utilities	\$5,865
			33 Postage	\$452
			34 Health Insurance	\$13,730
			35 Total Expenses	\$151,178
			36 Subtotal	\$17,249
			Reorganization Items:	
(\$1,150)		\$1,150		
		\$0		
		\$0		
			37 Professional Fees	(\$13,513)
			38 Provisions for Rejected Executory Contracts	
			39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case	
			40 Gain or (Loss) from Sale of Equipment	
			41 U.S. Trustee Quarterly Fees	
			42	
			43 Total Reorganization Items	(\$13,513)
			44 Net Profit (Loss) Before Federal & State Taxes	\$3,736
			45 Federal & State Income Taxes	\$0
			46 Net Profit (Loss)	\$3,736
				\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 02/28/10

Assets

		<u>From Schedules</u>	<u>Market Value</u>
1	Cash and cash equivalents - unrestricted		\$33,077
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$43,561
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8	Pawns Receivable		\$105,903
9	Total Current Assets		<u>\$182,541</u>
	Property and Equipment (Market Value)		
10	Real property	C	\$0
11	Machinery and equipment	D	\$1,000
12	Furniture and fixtures	D	\$600
13	Office equipment	D	\$4,000
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$4,000
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		<u>\$9,600</u>
	Other Assets		
22	Loans to shareholders		\$811,274
23	Loans to affiliates		
24	N/R Fred Wilson		\$77,136
25	L/R Don Brown		\$51,545
26	_____		
27	_____		
28	Total Other Assets		<u>\$939,955</u>
29	Total Assets		<u>\$1,132,096</u>

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages	
31	Payroll taxes	
32	Real and personal property taxes	
33	Income taxes	
34	Sales taxes	
35	Notes payable (short term)	
36	Accounts payable (trade)	A
37	Real property lease arrearage	
38	Personal property lease arrearage	
39	Accrued professional fees	
40	Current portion of long-term post-petition debt (due within 12 months)	
41	Other: _____	
42		
43		
44	Total Current Liabilities	<u>\$280,416</u>

Long-Term Post-Petition Debt, Net of Current Portion

45	Total Post-Petition Liabilities	<u>\$280,416</u>
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Pre-Petition Liabilities (allowed amount)

47	Secured claims	F	\$0
48	Priority unsecured claims	F	\$0
49	General unsecured claims	F	<u>\$2,765,848</u>
50	Total Pre-Petition Liabilities		<u>\$2,765,848</u>
51	Total Liabilities		<u>\$3,046,264</u>

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing	(\$2,743,625)
53	Capital Stock	<u>\$1,263,144</u>
54	Additional paid-in capital	
55	Cumulative profit/(loss) since filing of case	<u>\$3,736</u>
56	Post-petition contributions/(distributions) or (draws)	
57	Treasury Stock	<u>(\$28,480)</u>
58	Market value adjustment	<u>(\$408,943)</u>
59	Total Equity (Deficit)	<u>(\$1,914,168)</u>
60	Total Liabilities and Equity (Deficit)	<u>\$1,132,096</u>

SCHEDULES TO THE BALANCE SHEET (General Business Case)

Schedule A
Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days			
31-60 Days		\$342	
61-90 Days			\$280,416
91+ Days		\$280,074	
Total accounts receivable/payable	\$0	\$280,416	
Allowance for doubtful accounts			
Accounts receivable (net)		\$0	

Schedule B
Inventory/Cost of Goods Sold

Method of Inventory Control

Do you have a functioning perpetual inventory system?

How often do you take a complete physical inventory?

Weekly

Monthly

Quarterly

Quarterly _____
Semi-annually _____

Annually

Annually X

10/13/2009 0:00

Date of next physical inventory is

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost

LIFO cost

Lower of cost

Retail methods

Other

Other Explosives

Schedule C
Real Property

Description	<u>Cost</u>	<u>Market Value</u>
Total	<u>\$0</u>	<u>\$0</u>

Schedule D
Other Depreciable Assets

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Computers and Hardware	\$22,858	\$500
Security System	\$22,590	\$500
Accumulated Depr	(\$45,455)	
Total	<u>(\$7)</u>	<u>\$1,000</u>
Furniture & Fixtures -		
Displays and Counter	\$8,980	\$600
Accumulated Depr	(\$8,980)	
Total	<u>\$0</u>	<u>\$600</u>
Office Equipment -		
Vault, Scales Cleaners etc	\$17,073	\$4,000
Accumulated Depr	(\$17,073)	
Total	<u>\$0</u>	<u>\$4,000</u>
Leasehold Improvements -		
Leasehold Imp - Wells Store	\$111,987	\$0
Accumulated depr	(\$32,698)	
Total	<u>\$79,289</u>	<u>\$0</u>
Vehicles -		
98 Chev Truck	\$0	\$4,000
Total	<u>\$0</u>	<u>\$4,000</u>

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Taxes Payable					
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)		
Priority claims other than taxes		
Priority tax claims		
General unsecured claims	<u>\$2,765,848</u>	<u>\$2,765,848</u>

(a) List total amount of claims even it under secured.
 (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>	<u>Account 5</u>
Bank	1st Ind Bank	1st Ind Bank	1st Ind Bank	Pay Pal	
Account Type	Checking	Money Mkt	Personal	Online	
Account No.	#1101	#2973	#8305		
Account Purpose	Expenses		none	Ebay Sales	
Balance, End of Month	\$638	\$10,123	\$8	\$7,240	
Total Funds on Hand for all Accounts	<u>\$33,077</u>				<u>\$15,068</u>

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/10

		Actual Current Month	Cumulative (Case to Date)
Cash Receipts			
1	Rent/Leases Collected		
2	Cash Received from Sales	\$47,525	\$221,310
3	Interest Received	\$1	\$1
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	Total Cash Receipts	\$47,526	\$221,311
Cash Disbursements			
13	Payments for Inventory	\$10,855	\$39,892
14	Selling		
15	Administrative	\$27,442	\$65,302
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
19	Rent/Lease:		
20	Personal Property		\$0
21	Real Property	\$4,838	\$19,352
22	Amount Paid to Owner(s)/Officer(s)		
23	Salaries		
24	Draws		
25	Commissions/Royalties		
26	Expense Reimbursements		
27	Other		\$0
28	Salaries/Commissions (less employee withholding)	\$5,835	\$36,731
29	Management Fees		\$100
30	Taxes:		
31	Employee Withholding		
32	Employer Payroll Taxes	\$3,724	\$18,894
33	Real Property Taxes		
34	Other Taxes	\$2,734	\$6,741
35	Other Cash Outflows:		
36	Contract Labor		
37	Professional Fees	\$3,460	\$17,710
38		\$1,150	\$14,688
39	Total Cash Disbursements:	\$60,038	\$219,410
40	Net Increase (Decrease) in Cash	(\$12,512)	\$1,901
41	Cash Balance, Beginning of Period	\$45,589	\$31,176
42	Cash Balance, End of Period	\$33,077	\$33,077

STATEMENT OF CASH FLOWS

(Optional) Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/10

		Actual <u>Current Month</u>	Cumulative <u>(Case to Date)</u>
	Cash Flows From Operating Activities		
1	Cash Received from Sales	\$47,525	\$221,310
2	Rent/Leases Collected		
3	Interest Received	\$1	
4	Cash Paid to Suppliers	\$10,855	\$39,892
5	Cash Paid for Selling Expenses	\$9,295	\$81,074
6	Cash Paid for Administrative Expenses	\$27,442	\$51,371
7	Cash Paid for Rents/Leases:		
8	Personal Property		
9	Real Property	\$4,838	\$19,352
10	Cash Paid for Interest		
	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s):		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax	\$3,724	\$7,400
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes	\$2,734	\$5,633
20	Cash Paid for General Expenses		
21	Professional Fees Paid for Services in Connection with Chp 11 Case	\$1,150	\$14,688
22			
23			
24			
25			
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	(\$12,512)	\$1,900
	Cash Flows From Reorganization Items		
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees		
31			
32	Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	(\$12,512)	\$1,900
	Cash Flows From Investing Activities		
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
	Cash Flows From Financing Activities		
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	(\$12,512)	\$1,900
45	Cash and Cash Equivalents at Beginning of Month	\$45,589	\$31,177
46	Cash and Cash Equivalents at End of Month	\$33,077	\$33,077